

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE APRIL 1, 2013

**SENATE BILL**

**No. 52**

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**Introduced by Senators Leno and Hill**

December 20, 2012

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An act to amend Sections 84505 and 85310 of, to add Sections 84506.1, 84506.2, 84506.3, and 84506.4 to, ~~to add Article 6 (commencing with Section 84550) to Chapter 4 of Title 9 of,~~ to repeal Sections 84502, 84503, ~~84504, and 84506.5~~ *and 84504* of, and to repeal and add Sections 84501, 84506, *84506.5*, 84507, 84508, and 84509 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 52, as amended, Leno. Political Reform Act of 1974: campaign disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would repeal and recast several definitions. The bill would repeal a committee identification requirement and the disclosure statement requirements relating to advertisements for or against any

ballot measure paid for by any person whose cumulative contributions are \$50,000 and advertisements paid for by an independent expenditure. The bill would impose new disclosure statement requirements for *political advertisements that are* radio advertisements, prerecorded telephonic messages, television or video advertisements, ~~and or~~ mass mailing or print advertisements that would require the identification of identifiable contributors, ballot measures, and other funding details, as specified. The bill would also require a committee, in prescribed circumstances, to establish and maintain a ~~campaign~~ disclosure Internet Web site ~~for each of its campaigns~~ for the purpose of making a contribution disclosure statement. ~~The bill would require covered organizations, as defined, that make campaign-related disbursements or expenditures exceeding a certain amount to comply with disclosure and accounting requirements. Covered organizations would be required to keep an accounting of all original contributors of political purpose funds and to make this accounting available for audit by the Fair Political Practices Commission. The bill would provide that, in addition to other remedies, a person who makes a covered transfer of political purpose funds in violation of specified requirements is liable in a civil or administrative action brought by the Fair Political Practices Commission or any person for a fine up to 3 times the amount of the covered transfer. By introducing new disclosure requirements, the violation of which would be a misdemeanor, the bill would create a new crime, thereby imposing a state-mandated local program.~~

Existing law requires a person who makes a payment or promise of payment totaling \$50,000 or more for a communication that identifies, but does not advocate the election or defeat of, a candidate for elective state office, and that is disseminated within 45 days of an election, to file a disclosure report with the Secretary of State.

This bill would reduce the payment threshold to \$10,000 and change the communication dissemination period to the period beginning 120 days before the primary or special election and ending on the date of the general or runoff election.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes

upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the California Disclose  
2 Act.

3 SEC. 2. Section 84501 of the Government Code is repealed.

4 SEC. 3. Section 84501 is added to the Government Code, to  
5 read:

6 84501. For purposes of this article, the following terms have  
7 the following meanings:

8 (a) (1) "Advertisement" means a general or public  
9 advertisement that is ~~authorized and paid for by a person or~~  
10 ~~committee for the purpose of supporting or opposing a candidate~~  
11 ~~for elective office or a ballot measure or ballot measures, for an~~  
12 ~~electioneering communication, or for an issue advocacy~~  
13 ~~advertisement, as defined in Section 84550. any of the following:~~

14 (A) *Authorized and paid for by a person or committee for the*  
15 *purpose of supporting or opposing a candidate for elective office*  
16 *or a ballot measure or ballot measures.*

17 (B) *An electioneering communication.*

18 (C) *An issue advocacy advertisement.*

19 (2) "Advertisement" does not include a communication from  
20 an organization other than a political party to its members, a  
21 campaign button smaller than 10 inches in diameter, a bumper  
22 sticker smaller than 60 square inches, or other advertisement as  
23 determined by regulations of the Commission.

24 (b) ~~"Campaign" means the expenditures and other activities of~~  
25 ~~a covered organization in support of, or opposition to, or in~~  
26 ~~reference to a specific ballot measure, candidate, legislative action,~~  
27 ~~or administrative action, or any combination thereof.~~

28 (c) ~~"Campaign disclosure threshold" means ten thousand dollars~~  
29 ~~(\$10,000) in the case of a campaign in support of or opposition to~~  
30 ~~a statewide ballot measure, a state candidate, or issue advocacy,~~  
31 ~~or two thousand dollars (\$2,000) in the case of a campaign in~~  
32 ~~support of or opposition to a local ballot measure or local candidate.~~

1 ~~(d) “Campaign disclosure Internet Web site” means a~~  
2 ~~committee’s Internet Web site for a specific campaign that~~  
3 ~~discloses the top identifiable contributors to that committee for~~  
4 ~~that campaign, as described in Section 84506.3.~~

5 ~~(e) “Covered organization” has the same meaning as set forth~~  
6 ~~in subdivision (e) of Section 84550.~~

7 ~~(f) “Earmarked original~~

8 ~~(b) “Cumulative contributions” means the cumulative amount~~  
9 ~~of original contributions from an identifiable contributor that a~~  
10 ~~covered organization used for a specific campaign or that have~~  
11 ~~been directed to be used for the campaign but have not yet been~~  
12 ~~expended received by a committee beginning 18 months prior to~~  
13 ~~the date the committee made its first expenditure for a political~~  
14 ~~advertisement or for the purpose of qualifying, supporting, or~~  
15 ~~opposing a candidate for elective office or a ballot measure.~~

16 ~~(g) “Identifiable contributor” means a person whose earmarked~~  
17 ~~original contributions to a campaign’s covered organization meet~~  
18 ~~or exceed the campaign disclosure threshold. If an original~~  
19 ~~contributor’s earmarked original contributions do not meet or~~  
20 ~~exceed the campaign disclosure threshold, the accumulation of~~  
21 ~~those contributions shall be treated as a single earmarked original~~  
22 ~~contribution to the original recipient.~~

23 ~~(h) “Original contribution” has the same meaning as set forth~~  
24 ~~in subdivision (h) of Section 84550.~~

25 ~~(i) “Original contributor” has the same meaning as set forth in~~  
26 ~~subdivision (i) of Section 84550.~~

27 ~~(c) “Disclosure Internet Web site” means a committee’s Internet~~  
28 ~~Web site for a specific campaign that discloses the top identifiable~~  
29 ~~contributors to that committee for that campaign, as described in~~  
30 ~~Section 84506.3.~~

31 ~~(d) “Disclosure threshold” means ten thousand dollars~~  
32 ~~(\$10,000) in the case of a campaign regarding a statewide ballot~~  
33 ~~measure or a state candidate or in the case of a statewide issue~~  
34 ~~advocacy advertisement, or two thousand dollars (\$2,000) in the~~  
35 ~~case of a campaign regarding a local ballot measure or a local~~  
36 ~~candidate or in the case of a local issue advocacy advertisement.~~

37 ~~(e) “Electioneering communication” means a communication~~  
38 ~~described in subdivision (a) of Section 85310.~~

39 ~~(f) “Identifiable contributor” means a person that is the original~~  
40 ~~source of contributions received by a committee that cumulatively~~

1 *meet or exceed the disclosure threshold, notwithstanding the fact*  
2 *that the contributions were transferred, in whole or in part, through*  
3 *one or more other committees or persons.*

4 *(g) “Issue advocacy advertisement” means an advertisement*  
5 *that clearly refers to and reflects a view on the subject matter,*  
6 *description, or name of a pending legislative action, administrative*  
7 *action, or one or more ballot measures and does any of the*  
8 *following:*

9 *(1) Can only be reasonably interpreted as an appeal for the*  
10 *recipient of the advertisement to take action by contacting an*  
11 *employee or elected official of the state government or any local*  
12 *government or encouraging others to contact those persons.*

13 *(2) Refers to a pending legislative action and is disseminated,*  
14 *broadcast, or otherwise communicated within 60 days of the end*  
15 *of the legislative session.*

16 *(3) Refers to one or more ballot measures and is disseminated,*  
17 *broadcast, or otherwise communicated within 120 days of the*  
18 *election concerning that measure or measures.*

19 *(h) “Political advertisement” means an advertisement, unless*  
20 *it is paid for by a candidate-controlled committee and is an*  
21 *advertisement relating to the candidate’s own election and not for*  
22 *any other campaign.*

23 SEC. 4. Section 84502 of the Government Code is repealed.

24 SEC. 5. Section 84503 of the Government Code is repealed.

25 SEC. 6. Section 84504 of the Government Code is repealed.

26 SEC. 7. Section 84505 of the Government Code is amended  
27 to read:

28 84505. In addition to the requirements of Sections 84504,  
29 84506, 84506.1, 84506.2, 84506.3, and 84506.4, the committee  
30 placing the advertisement or persons acting in concert with that  
31 committee shall be prohibited from creating or using a  
32 noncandidate-controlled committee or a nonsponsored committee  
33 to avoid, or that results in the avoidance of, the disclosure of any  
34 individual, industry, business entity, controlled committee, or  
35 sponsored committee as a major funding source.

36 SEC. 8. Section 84506 of the Government Code is repealed.

37 SEC. 9. Section 84506 is added to the Government Code, to  
38 read:

39 ~~84506. (a) A radio advertisement paid for by a~~  
40 ~~candidate-controlled committee that clearly identifies the candidate~~

1 ~~or one or more of the opponents of the candidate shall include an~~  
2 ~~audio statement in which the candidate identifies himself or herself~~  
3 ~~and states that the candidate has approved the message.~~

4 (b)

5 84506. (a) ~~(1) A political advertisement that is a radio~~  
6 ~~advertisement or prerecorded telephonic message regarding a~~  
7 ~~campaign shall include a disclosure at the end of the advertisement~~  
8 ~~read in a clearly spoken manner and in a pitch and tone~~  
9 ~~substantially similar to the rest of the advertisement that reads as~~  
10 ~~follows: “Top funders of this ad are [state names in descending~~  
11 ~~order of identifiable contributors who have made the three largest~~  
12 ~~earmarked original contributions for the campaign] cumulative~~  
13 ~~contributions]. Paid for by [name of the committee that paid for~~  
14 ~~the advertisement].”~~

15 (2)

16 (b) If there are fewer than three identifiable contributors, the  
17 disclosure required by ~~paragraph (1) subdivision (a)~~ shall be  
18 adjusted accordingly to disclose the qualifying identifiable  
19 contributors, if any.

20 (3)

21 (c) If there are no identifiable contributors or the committee that  
22 paid for the advertisement is the only identifiable contributor, it  
23 may replace the disclosure required by ~~paragraph (1) subdivision~~  
24 (a) with the following: “Paid for by [name of the committee that  
25 paid for the advertisement].”

26 (4)

27 (d) ~~If the advertisement is a prerecorded telephonic message~~  
28 ~~and names each of the three largest identifiable contributors of the~~  
29 ~~campaign and identifies the speaker as speaking on behalf of them,~~  
30 ~~it may replace the disclosure required by paragraph (1) subdivision~~  
31 (a) with the following: “Paid for by [name of the committee that  
32 paid for the advertisement].”

33 (5)

34 (e) The disclosures specified in ~~this subdivision~~ *subdivision (a)*  
35 shall not be required if the ~~advertisement is paid for by a~~  
36 ~~candidate-controlled committee and clearly identifies the candidate~~  
37 ~~or one or more of the opponents of the candidate or if the~~  
38 ~~committee has not expended an amount on the campaign that meets~~  
39 ~~or exceeds the campaign disclosure threshold~~ *committee paying*

1 *for the political advertisement does not have cumulative*  
2 *contributions that meet or exceed the disclosure threshold.*

3 SEC. 10. Section 84506.1 is added to the Government Code,  
4 to read:

5 ~~84506.1. (a) A television or video advertisement paid for by~~  
6 ~~a candidate-controlled committee that clearly identifies the~~  
7 ~~candidate or one or more of the opponents of the candidate shall~~  
8 ~~include a statement in which the candidate identifies himself or~~  
9 ~~herself and states that the candidate has approved the message.~~  
10 ~~The candidate statement shall be made using an unobscured,~~  
11 ~~full-screen video of the candidate, alone, making the statement,~~  
12 ~~or by using an unobscured, full-screen, and clearly identifiable~~  
13 ~~photographic image of the candidate, alone, that is displayed during~~  
14 ~~an audio voiceover of the candidate reading the statement.~~

15 ~~(b)~~

16 ~~84506.1. (a) Except as otherwise provided by this section, A~~  
17 ~~political advertisement that is a television or video advertisement~~  
18 ~~regarding a campaign shall include at the end of the advertisement~~  
19 ~~a disclosure shall include a disclosure area with a solid black~~  
20 ~~background on the entire bottom one-third of the television or~~  
21 ~~video display screen for a minimum of six seconds at the beginning~~  
22 ~~of the advertisement that includes all of the following:~~

23 ~~(1) A full-screen without audio on a black background for a~~  
24 ~~minimum of three seconds that is dedicated to the disclosure~~  
25 ~~described in this section.~~

26 ~~(2) If the advertisement identifies one or two ballot measures;~~  
27 ~~the text “Top Funders of This Ad for [“Yes on” followed by the~~  
28 ~~ballot measure number or letter for any ballot measures it supports~~  
29 ~~or “No on” followed by the ballot measure number or letter for~~  
30 ~~any ballot measures it opposes].” If the advertisement does not~~  
31 ~~identify ballot measures or identifies more than two ballot~~  
32 ~~measures, the text “Top Funders of This Ad.” The text shall be~~  
33 ~~located at the top of the television or video display screen and~~  
34 ~~centered horizontally, shall be yellow in color in Arial equivalent~~  
35 ~~font, and the font size shall be at least 5 percent of the height of~~  
36 ~~the television or video display screen.~~

37 ~~(3) Immediately below the text described in paragraph (2), the~~  
38 ~~logos, if any, as they appear on the Internet Web site homepage~~  
39 ~~of the identifiable contributor, for the identifiable contributors who~~  
40 ~~have made the three largest earmarked original contributions to~~

1 the committee that paid for the advertisement. Each logo shall  
2 occupy at least 15 percent of the width or height of the television  
3 or video display screen and the logos shall be displayed from left  
4 to right in descending order beginning with the largest identifiable  
5 contributor.

6 (4) Immediately below the logos, if any, described in paragraph  
7 (3), or beneath the text described in paragraph (2), if no identifiable  
8 contributor has a logo, the identifiable contributors who have made  
9 the three largest earmarked original contributions to the committee  
10 that paid for the advertisement. The three identifiable contributors  
11 shall each be disclosed on a separate vertical line, in descending  
12 order, beginning with the identifiable contributor who made the  
13 largest earmarked original contribution on the first line. The name  
14 of each of the three identifiable contributors shall be centered  
15 horizontally. The text shall be white in color in Arial Narrow  
16 equivalent font and the font size shall be at least 5 percent of the  
17 height of the television or video display screen.

18 (5) Immediately below the text described in paragraph (4), the  
19 text “Full Funding Details At [insert Internet Web site address of  
20 the campaign disclosure Internet Web site].” The text shall be  
21 yellow in color in Arial Narrow equivalent font and the font size  
22 shall be equivalent to 4 percent of the height of the television or  
23 video display screen.

24 (6)  
25 (1) The text “Top Funders of This Ad.” The text shall be located  
26 at the top of the disclosure area and centered horizontally, shall  
27 be yellow in color in Arial equivalent font, and the font size shall  
28 be at least 4 percent of the height of the television or video display  
29 screen.

30 (2) Immediately below the text described in paragraph (1), the  
31 names of the identifiable contributors who have made the three  
32 largest cumulative contributions. The identifiable contributors  
33 shall each be disclosed on a separate horizontal line, in descending  
34 order, beginning with the identifiable contributor who made the  
35 largest cumulative contributions on the first line. The name of each  
36 of the identifiable contributors shall be centered horizontally. The  
37 text shall be white in color in Arial Narrow equivalent font and  
38 the font size shall be at least 4 percent of the height of the television  
39 or video display screen.



(3) The text “Funding Details At [insert Internet Web site address of the disclosure Internet Web site].” The text shall be yellow in color in Arial Narrow equivalent font and the font size shall be equivalent to 2.5 percent of the height of the television or video display screen. The text shall be left-aligned and located in a position that is 2.5 percent of the height of the television or video display screen away from the bottom left of the television or video display screen.

(4) The text “Paid for by [name of the committee that paid for the advertisement].” The text shall be yellow in color in Arial Narrow equivalent font and the font size shall be equivalent to 2.5 percent of the height of the television or video display screen. The text shall be *right-aligned* and located in a position that is vertically 2.5 percent above the bottom of the height of the television or video display screen and centered horizontally away from the bottom right of the television or video display screen.

~~(7)~~

(5) If there are fewer than three identifiable contributors, the disclosure required by this subdivision shall be adjusted accordingly to disclose only those that qualify as identifiable contributors, if any. If the committee does not have any identifiable contributors, the disclosure shall be adjusted to include the name of the committee in place of the names of identifiable contributors.

~~(e)~~

~~(b)~~ (a) The disclosures described in subdivision ~~(b)~~ (a) shall not be required if the advertisement is paid for by a candidate-controlled committee and clearly identifies the candidate or one or more of the opponents of the candidate or if the committee paying for the advertisement has not expended an amount on the campaign that meets or exceeds the campaign disclosure threshold committee paying for the political advertisement does not have cumulative contributions that meet or exceed the disclosure threshold.

SEC. 11. Section 84506.2 is added to the Government Code, to read:

84506.2. (a) Except for slate mailers or as otherwise provided by this section, a political advertisement that is a mass mailing or a print advertisement regarding a campaign and that is 12 square inches or more in size shall include a disclosure area on the largest page of the mass mailing or print advertisement that satisfies all of the following:

~~(1) The disclosure area shall be set apart from the rest of the page on which it is located by a line framing the disclosure area in the shape of a square or rectangle and the line shall be a color that establishes a contrast with the background color of the remainder of the disclosure area. The disclosure area within the border line shall have a solid background color that establishes a contrast to the color of the disclosure text that is equivalent to or greater than the text and background color contrast in the other areas of the mass mailing or print advertisement.~~

*(1) The disclosure area shall have a solid white background so as to be easily legible, and shall be in a printed or drawn box on the bottom of the page that is set apart from any other printed matter. All text in the disclosure area shall be black in color.*

~~(2) The text “Top Funders of This Ad” shall be located at the top of the disclosure area and centered horizontally in the disclosure area. The text shall be in an Arial equivalent font with a font size of at least 14-point 12-point for pages advertisements smaller than 8.5 inches by 11 inches 93 square inches and at least 16-point 14-point for pages advertisements that are equal to, or larger than, 8.5 inches by 11 93 square inches.~~

~~(3) Immediately below the text described in paragraph (2) shall be printed the logos, if any, as they appear on the Internet Web site homepage of the identifiable contributor, for the identifiable contributors who have made the three largest earmarked original contributions to the committee that paid for the mass mailing or print advertisement. Each logo shall occupy at least 8 percent of the width or height of the page on which the disclosure area is located and the logos shall be displayed from left to right in descending order beginning with the largest identifiable contributor.~~

~~(4) Immediately below the logos, if any, described in paragraph (3), or beneath the text described in paragraph (2) if no identifiable contributor has a logo, shall be identified by name the identifiable contributors who have made the three largest earmarked original contributions for the campaign that paid for the mass mailing or print advertisement. The three identifiable contributors shall each be disclosed on a separate vertical line, in descending order, beginning with the identifiable contributor who made the largest earmarked original contributions on the first line. The name of each of the three identifiable contributors shall be centered horizontally. The text shall identify each identifiable contributor~~

1 in an Arial Narrow equivalent font with a font size of at least  
2 10-point for pages smaller than 8.5 inches by 11 inches and at least  
3 12-point for pages that are equal to, or larger than, 8.5 inches by  
4 11 inches.

5 (3) Immediately below the text described in paragraph (2) shall  
6 be the names of the identifiable contributors who have made the  
7 three largest cumulative contributions. The identifiable  
8 contributors shall each be disclosed on a separate horizontal line,  
9 in descending order, beginning with the identifiable contributor  
10 who made the largest cumulative contributions on the first line.  
11 The name of each of the identifiable contributors shall be centered  
12 horizontally in the disclosure area. The text shall identify each  
13 identifiable contributor in an Arial Narrow equivalent font with  
14 a font size of at least 10-point for advertisements smaller than 93  
15 square inches and at least 12-point for advertisements that are  
16 equal to, or larger than, 93 square inches.

17 (A) If the advertisement is 4 inches tall or less, it need only show  
18 the names of the identifiable contributors who have made the two  
19 largest cumulative contributions.

20 (B) If the advertisement is 3 inches tall or less, it need only show  
21 the name of the identifiable contributor who made the largest  
22 cumulative contribution, and the text required by paragraph (2)  
23 may say "Top Funder of This Ad."

24 (5)  
25 (4) Immediately below the text described in paragraph (4) (3),  
26 the text "~~Full Funding~~ "Funding Details At [insert Internet Web  
27 site address of the ~~campaign~~ disclosure Internet Web site]." The  
28 text shall be in an Arial Narrow equivalent font with at least  
29 10-point font size for ~~pages~~ advertisements smaller than 8.5 inches  
30 ~~by 11~~ 93 square inches and at least 12-point font size for ~~pages~~  
31 advertisements that are equal to, or larger than, 8.5 inches ~~by 11~~  
32 93 square inches. This text shall not be required if the  
33 advertisement is 5 inches tall or less.

34 (6)  
35 (5) The text "Paid for by [name of the committee that paid for  
36 the advertisement]." The text shall be located at the bottom of the  
37 disclosure area and shall be in an Arial Narrow equivalent font  
38 with at least 8-point font size for pages smaller than 8.5 inches  
39 and at least 10-point font size for pages that are equal to, or larger  
40 than, 8.5 inches by 11 inches.

~~(7)~~

(6) If there are fewer than three identifiable contributors, the disclosure shall be adjusted accordingly to disclose the qualifying identifiable contributors, if any. If the committee does not have any identifiable contributors, the disclosure shall be adjusted to include the name of the committee in place of the names of identifiable contributors.

(b) The disclosures described in subdivision (a) shall not be required if the committee paying for the ~~advertisement is a candidate-controlled committee that pays for advertisements in support of the candidate or if the committee paying for the advertisement has not expended an amount on the campaign that meets or exceeds the campaign~~ *political advertisement does not have cumulative contributions that meet or exceed the* disclosure threshold.

SEC. 12. Section 84506.3 is added to the Government Code, to read:

84506.3. ~~Except for a~~ *A committee that is controlled by a candidate and that is paying for* ~~has paid for political advertisements in support of the candidate, a committee and that has received cumulative contributions that meet or exceed the disclosure threshold~~ shall establish and maintain a ~~separate campaign disclosure Internet Web site for each of its campaigns for which it has expended an amount that meets or exceeds the campaign disclosure threshold and for which it pays for an advertisement described in this article.~~ If the ~~campaign committee~~ *committee* has an Internet Web site ~~homepage~~, that Internet Web site may also serve as the ~~campaign disclosure Internet Web site~~. The ~~homepage of the campaign disclosure Internet Web site and any landing pages that visitors are directed to on the disclosure Internet Web site and any other Internet Web sites maintained by the committee shall include a disclosure statement area for the purpose of making a contribution disclosure statement that satisfies all of the following:~~

(a) The ~~disclosure statement~~ area shall be at least 250 pixels wide ~~and visible upon landing on the Internet Web site's homepage~~. The ~~disclosure statement~~ area shall have a white background and a border that is dark in color.

(b) ~~If the campaign involves one or more ballot measures, the disclosure statement~~ *The disclosure area* shall include the text

1 “Top Funders of This Campaign for [~~“Yes on” followed by the~~  
2 ~~ballot measure number or letter for any ballot measures it supports~~  
3 ~~or “No on” followed by the ballot measure number or letter for~~  
4 ~~any ballot measures it opposes].” This text shall be located~~  
5 *Committee” located* at the top of the disclosure statement area and  
6 centered horizontally in the disclosure statement area. The text  
7 shall be black in color in an Arial equivalent font and shall be at  
8 least 10-point font size.

9 (c) Immediately below the text described in subdivision (b), the  
10 disclosure statement area shall include a list of the identifiable  
11 contributors who have made the 10 largest ~~earmarked original~~  
12 *cumulative* contributions to the committee. Each ~~of the 10~~  
13 ~~identifiable contributors~~ contributor shall be disclosed on a separate  
14 ~~vertical~~ horizontal line, in descending order, beginning with the  
15 identifiable contributor who made the largest cumulative  
16 ~~contribution~~ contributions on the first line. The text shall be black  
17 in color in an Arial Narrow equivalent font and shall be at least  
18 9-point font size.

19 (d) ~~Immediately below the text described in subdivision (c), the~~  
20 ~~disclosure statement shall include the logos, if any, as they appear~~  
21 ~~on the Internet Web site homepage of the identifiable contributor,~~  
22 ~~for the identifiable contributors who made the 10 largest earmarked~~  
23 ~~original contributions to the committee. Each logo shall occupy~~  
24 ~~at least 75 horizontal or vertical pixels and shall be displayed from~~  
25 ~~left to right in descending order beginning with the largest~~  
26 ~~identifiable contributor.~~

27 (e)

28 (d) (1) The disclosure statement area shall include a hyperlink  
29 to another page on the campaign disclosure Internet Web site that  
30 lists all of the ~~campaign’s~~ committee’s identifiable contributors.  
31 The hyperlink shall be labeled “More funding info” and shall be  
32 a standard hyperlink centered at the bottom of the disclosure area  
33 that is displayed as blue underlined text in Arial-equivalent font  
34 in at least 9-point font size.

35 (2) The hyperlinked page on the ~~committee~~ disclosure Internet  
36 Web site shall have a title that reads “Large Funders of this  
37 ~~Campaign.”~~ Committee.” The linked page shall disclose each  
38 identifiable contributor of the committee on a separate ~~vertical~~  
39 *horizontal* line, in descending order, beginning with the identifiable  
40 contributor that had the largest ~~earmarked original~~ cumulative

1 contribution on the first line. Each line shall show the name of the  
2 identifiable contributor and the amount of its ~~earmarked original~~  
3 *cumulative* contributions, current within three *business* days. These  
4 disclosures shall be clear and shall be the only content on the page  
5 other than the ~~campaign~~ disclosure Internet Web site's standard  
6 navigation features.

7 (f)

8 (e) If there are fewer than 10 identifiable contributors, the  
9 disclosure ~~statement area~~ shall be adjusted accordingly to disclose  
10 the qualifying identifiable contributors, if any. If the committee  
11 does not have any identifiable contributors, the disclosure *area*  
12 shall be adjusted to include the name of the committee in place of  
13 the names of identifiable contributors.

14 (f) *Every page of an Internet Web site maintained by a committee*  
15 *that has paid for political advertisements and that has cumulative*  
16 *contributions that meet or exceed the disclosure threshold shall*  
17 *include the statement "Paid for by [name of the committee that*  
18 *paid for the advertisement]" and any other identifying information*  
19 *specified by the Commission. The text shall have a solid white*  
20 *background so as to be easily legible, and shall be in a printed or*  
21 *drawn box on the bottom of the page that is set apart from any*  
22 *other printed matter. The text shall be black in color in an Arial*  
23 *Narrow equivalent font and shall be at least 8-point font size.*

24 SEC. 13. Section 84506.4 is added to the Government Code,  
25 to read:

26 84506.4. The Commission shall promulgate regulations to  
27 require disclosures on all forms of *political* advertisements not  
28 covered by this article, including, but not limited to, electronic  
29 media advertisements and billboards. If feasible, the regulations  
30 shall require the listing of the name of the committee and as many  
31 of the three identifiable contributors that made the largest  
32 ~~earmarked original~~ *cumulative* contributions to the ~~campaign~~ as  
33 possible in a conspicuous manner. This disclosure area shall occupy  
34 no more than 10 percent of the advertisement. If the advertisement  
35 medium allows, the disclosure area shall contain a hyperlink to  
36 the ~~campaign~~ disclosure Internet Web site.

37 SEC. 14. Section 84506.5 of the Government Code is repealed.

38 SEC. 14.5. Section 84506.5 is added to the Government Code,  
39 to read:

1     84506.5. *The Commission shall promulgate regulations to*  
2 *require disclosure of the name of the committee, if feasible, on all*  
3 *advertisements that are paid for by a candidate-controlled*  
4 *committee and that are advertisements relating to the candidate's*  
5 *own election and not for any other campaign.*

6     SEC. 15. Section 84507 of the Government Code is repealed.

7     SEC. 16. Section 84507 is added to the Government Code, to  
8 read:

9     84507. For purposes of a disclosure required by this article,  
10 the following shall also apply in the event that an identifiable  
11 contributor is a person who is an individual:

12     (a) If the committee receiving the ~~earmarked original~~ *cumulative*  
13 contributions is supporting or opposing a candidate, the disclosure  
14 shall include the occupation and employer of the identifiable  
15 contributor in addition to the contributor's name. *If the identifiable*  
16 *contributor is not employed, no occupation or employer shall be*  
17 *listed.*

18     (b) If the committee receiving the ~~earmarked original~~ *cumulative*  
19 contributions is supporting or opposing a ballot measure, and the  
20 passage or defeat of the ballot measure directly benefits the  
21 employer of the identifiable contributor, the disclosure shall include  
22 the occupation and employer of the identifiable contributor in  
23 addition to the contributor's name. ~~However, if an employer of an~~  
24 ~~identifiable contributor is also an identifiable contributor of that~~  
25 ~~committee, the earmarked original contributions of the employees~~  
26 ~~shall, instead, be deemed to be earmarked original contributions~~  
27 ~~by the employer for purposes of determining the total earmarked~~  
28 ~~original contribution made by the employer in order to determine~~  
29 ~~which identifiable contributors shall be disclosed on an~~  
30 ~~advertisement pursuant to this article.~~

31     ~~(c) If the committee receiving the earmarked original~~  
32 ~~contributions is supporting or opposing a ballot measure, and the~~  
33 ~~passage or defeat of the ballot measure does not directly benefit~~  
34 ~~the employer of the identifiable contributor, the disclosure shall~~  
35 ~~include only the name of the identifiable contributor.~~

36     ~~(c) If the employer of an identifiable contributor is also an~~  
37 ~~identifiable contributor of that committee, the cumulative~~  
38 ~~contributions of its employees shall be deemed to be cumulative~~  
39 ~~contributions by the employer for purposes of determining which~~  
40 ~~identifiable contributors shall be disclosed on an advertisement~~

1 *pursuant to this article. This subdivision does not apply to an*  
2 *employee whose cumulative contributions amount to more than*  
3 *75 percent of the cumulative contributions of the employer.*

4 SEC. 17. Section 84508 of the Government Code is repealed.

5 SEC. 18. Section 84508 is added to the Government Code, to  
6 read:

7 84508. (a) The disclosure of the name of an identifiable  
8 contributor required by this article need not include such legal  
9 terms as “incorporated,” “committee,” “political action committee,”  
10 or “corporation,” or their abbreviations, unless the term is part of  
11 the contributor’s name in common usage or parlance. This section  
12 does not prevent a contributor from being disclosed by a name  
13 used in common usage or parlance, including, but not limited to,  
14 an abbreviation or acronym.

15 (b) *If this article requires the disclosure of the name of an*  
16 *identifiable contributor that is a sponsored committee, the name*  
17 *of the committee’s sponsoring organization shall be disclosed.*

18 ~~(b)~~

19 (c) For a disclosure made pursuant to Sections 84506 to 84506.3,  
20 inclusive, the committee name listed need not include its economic  
21 or other special interests, nor the names of any major donors.

22 SEC. 19. Section 84509 of the Government Code is repealed.

23 SEC. 20. Section 84509 is added to the Government Code, to  
24 read:

25 84509. If the order of the identifiable contributors required to  
26 be displayed in an advertisement pursuant to this article changes  
27 ~~after a statement is filed pursuant to Section 84554,~~ the disclosure  
28 in the advertisement shall be updated as follows:

29 (a) A television, radio, or other electronic media *political*  
30 advertisement shall be updated to reflect the new ordering of  
31 identifiable contributors within ~~three calendar~~ *seven business* days,  
32 *or five business days if the change in the order of identifiable*  
33 *contributors occurs within 30 days of an election.*

34 (b) A print media advertisement, including nonelectronic  
35 billboards, shall be updated to reflect the new ordering of  
36 identifiable contributors prior to placing a new or modified order  
37 for additional printing of the advertisement.

38 ~~SEC. 21. Article 6 (commencing with Section 84550) is added~~  
39 ~~to Chapter 4 of Title 9 of the Government Code, to read:~~



Article 6. ~~Expenditures of Organizations~~

~~84550. For purposes of this article, the following terms have the following meanings:~~

~~(a) “Campaign” means the expenditures and other activities of a covered organization in support of, or opposition to, or in reference to, a specific ballot measure, candidate, legislative action, or administrative action, or any combination thereof.~~

~~(b) “Campaign-related disbursement” means a disbursement of money by a covered organization for any of the following:~~

~~(1) An expenditure in support of, or opposition to, a ballot measure.~~

~~(2) An independent expenditure in support of, or opposition to, a candidate.~~

~~(3) An electioneering communication.~~

~~(4) An issue advocacy advertisement.~~

~~(5) A covered transfer of political purpose funds.~~

~~(c) “Covered organization” means a person, other than an individual or political party, that can accept contributions, donations, payments, or any other form of funds, including, but not limited to, a committee, a nonprofit organization, a business entity, a labor organization, and a federal or out-of-state political action committee.~~

~~(d) “Covered transfer of political purpose funds” means a transfer or payment of political purpose funds in an aggregate amount of one thousand dollars (\$1,000) or more in a calendar year by a covered organization to another covered organization.~~

~~(e) “Electioneering communication” means a communication described in subdivision (a) of Section 85310.~~

~~(f) “Issue advocacy advertisement” means an advertisement in a calendar quarter that is paid for by a person required to file a statement under subdivision (b) of Section 86115 in the calendar quarter and that does all of the following:~~

~~(1) Clearly refers to the subject matter, description, or name of pending legislative or administrative action.~~

~~(2) Reflects a view on the legislative or administrative action referred to in paragraph (1).~~

~~(3) Can only be reasonably interpreted as an appeal for the recipient of the advertisement to take action by contacting an~~

1 employee or elected official of the state government or any local  
2 government or encouraging others to contact those persons.

3 (g) ~~“Ordinary business funds” means amounts received by a~~  
4 ~~covered organization in the ordinary course of any trade or business~~  
5 ~~conducted by the covered organization, or in the form of~~  
6 ~~investments in the covered organization.~~

7 (h) ~~“Original contribution” means a contribution, donation,~~  
8 ~~transfer, or payment of dues made by an original contributor to an~~  
9 ~~original recipient. In the case of an original contributor that is a~~  
10 ~~covered organization, the original contribution amount is the~~  
11 ~~amount that is made up entirely of ordinary business funds and~~  
12 ~~contributions, donations, transfers, or payments of dues amounting~~  
13 ~~to less than an aggregate of one thousand dollars (\$1,000) from~~  
14 ~~each person.~~

15 (i) ~~“Original contributor” means a person that was the original~~  
16 ~~source of political purpose funds acquired by a covered~~  
17 ~~organization, notwithstanding the fact that the political purpose~~  
18 ~~funds were transferred, in whole or in part, through one or more~~  
19 ~~covered organizations. An original contributor includes any of the~~  
20 ~~following:~~

21 (1) ~~An individual, political party, or other person that does not~~  
22 ~~accept political purpose funds from others and that makes one or~~  
23 ~~more contributions or payments of political purpose funds to a~~  
24 ~~covered organization in an aggregate amount of one thousand~~  
25 ~~dollars (\$1,000) or more in a calendar year.~~

26 (2) ~~If a covered organization makes a campaign-related~~  
27 ~~disbursement, any of the following persons or entities whose~~  
28 ~~political purpose funds were used in that disbursement:~~

29 (A) ~~Any original contributor identified in a covered transfer~~  
30 ~~statement received by the covered organization.~~

31 (B) ~~Any original contributor defined in paragraph (1).~~

32 (C) ~~The covered organization, if it used ordinary business funds~~  
33 ~~totaling one thousand dollars (\$1,000) or more.~~

34 (D) ~~The covered organization, if it used one thousand dollars~~  
35 ~~(\$1,000) or more from persons who each made payments or~~  
36 ~~contributions totaling less than one thousand dollars (\$1,000) in a~~  
37 ~~calendar year.~~

38 (j) ~~“Original recipient” means the first covered organization to~~  
39 ~~which an original contribution is made.~~

1     ~~(k) “Political purpose funds” means funds made up of any~~  
2     ~~payments, including contributions, donations, transfers, or~~  
3     ~~payments of dues, that qualify as contributions or that are made~~  
4     ~~to a covered organization by a person who does any of the~~  
5     ~~following:~~

6     ~~(1) Requests or gives permission for the payment to be used for~~  
7     ~~campaign-related disbursements.~~

8     ~~(2) Makes the payment in response to a solicitation or other~~  
9     ~~request for funds that are expected to be used for campaign-related~~  
10    ~~disbursements.~~

11    ~~(3) Makes the payment to a covered organization that publicly~~  
12    ~~declares that any payments may be expected to be used for~~  
13    ~~campaign-related disbursements unless the person prohibits, in~~  
14    ~~writing, the use of their funds for campaign-related disbursements.~~

15    ~~84551. (a) A covered organization that makes campaign-related~~  
16    ~~disbursements aggregating more than one thousand dollars (\$1,000)~~  
17    ~~in a calendar year shall only expend political purpose funds for~~  
18    ~~those disbursements. A covered organization shall not make any~~  
19    ~~campaign-related disbursements using funds received by a transfer~~  
20    ~~or payment from another covered organization if that organization~~  
21    ~~has not provided a transfer of political purpose funds statement~~  
22    ~~pursuant to Section 84553.~~

23    ~~(b) If a covered organization’s political purpose funds and~~  
24    ~~campaign-related disbursements are fully accounted for, no public~~  
25    ~~disclosure shall be required relating to the identity of the covered~~  
26    ~~organization’s other members and general donors. Any public~~  
27    ~~disclosure shall be limited to the sources, amounts, expenditures,~~  
28    ~~and transfers of the covered organization’s political purpose funds~~  
29    ~~and campaign-related disbursements.~~

30    ~~84552. (a) A covered organization shall keep an accounting~~  
31    ~~of all of the original contributors of its political purpose funds.~~  
32    ~~The accounting shall be available for audit by the Commission~~  
33    ~~and shall include all of the following information relating to each~~  
34    ~~original contributor:~~

35    ~~(1) The same identifying information required for persons who~~  
36    ~~make contributions.~~

37    ~~(2) The date, amount, and original recipient of each original~~  
38    ~~contribution that makes up the covered organization’s political~~  
39    ~~purpose funds from the original contributor.~~

~~(3) Any amounts of each original contribution that are directed to be used for specific campaigns.~~

~~(4) The dates, amounts, campaigns, and other purposes for which original contributors' funds were expended or the covered organizations that they were transferred to, if any.~~

~~(b) Records for each original contribution shall be preserved for at least 48 months after they are recorded as having been expended, transferred, or used for other purposes.~~

~~84553. (a) If a covered organization makes a covered transfer of political purpose funds, it shall provide a transfer of political purpose funds statement made under penalty of perjury to both the Commission and the recipient organization within 24 hours. The statement shall include the same identifying information for both the covered organization and the recipient organization as required for committees, and a statement of what amounts, if any, of the transferred funds are directed to be used for specific campaigns.~~

~~(b) The transfer of political purpose funds statement shall include an accounting of each original contribution making up the transfer that includes all of the following:~~

~~(1) The same identifying information required for persons who make contributions.~~

~~(2) The contribution's date, amount, and original recipient.~~

~~(3) Any portions of the contribution that are directed to be used for specific campaigns. If the transfer of political purpose funds statement specifies that the transferred funds are directed to be used for specific campaigns, then that direction shall be listed; provided it is consistent with the original direction for the original contribution's use.~~

~~84554. (a) A covered organization that makes expenditures for a specific campaign in an amount, in the aggregate, equal to or greater than the applicable campaign disclosure threshold, as defined in Section 84501, in a calendar year that are not covered transfers of political purpose funds shall file a statement made under penalty of perjury with the Secretary of State and the Commission that includes the same identifying information for the covered organization as required for committees.~~

~~(b) The statement required by subdivision (a) shall include an accounting of each original contribution that was used for the covered organization's cumulative expenditures for the campaign, plus any original contributions that have been directed to be used~~

1 for the campaign but have not yet been expended, and shall contain  
2 all of the following information:

3 (1) ~~The same identifying information required for persons who~~  
4 ~~make contributions.~~

5 (2) ~~The contribution's date, amount, and original recipient.~~

6 (3) ~~The date or dates of the original statement or statements on~~  
7 ~~which it was listed as expended, if any.~~

8 (e) ~~The statement described in subdivision (a) shall be amended~~  
9 ~~within 24 hours from the time at which the aggregated earmarked~~  
10 ~~original contributions, as defined in Section 84501, for the~~  
11 ~~campaign increase by an amount that meets or exceeds the~~  
12 ~~campaign disclosure threshold since the previous statement.~~

13 ~~84555. A covered organization that makes campaign-related~~  
14 ~~disbursements shall be subject to discretionary audits conducted~~  
15 ~~by the Commission. An audit conducted pursuant to this section~~  
16 ~~shall be limited to examining the covered organization's~~  
17 ~~campaign-related disbursements and sources and uses of its~~  
18 ~~political purpose funds. A covered organization shall keep copies~~  
19 ~~of records detailing a person's request or granting of permission~~  
20 ~~to use its funds for campaign-related disbursements, any written~~  
21 ~~statements persons made prohibiting the use of their funds for~~  
22 ~~campaign-related disbursements, its fundraising solicitations, and~~  
23 ~~the transfer of political purpose funds statements from the covered~~  
24 ~~organizations that transfer political purpose funds to it. A covered~~  
25 ~~organization shall make these records available for inspection by~~  
26 ~~the Commission, if requested, during an audit.~~

27 ~~84556. (a) In addition to the remedies provided for in Chapter~~  
28 ~~11 (commencing with Section 91000), a person who makes a~~  
29 ~~covered transfer of political purpose funds in violation of this~~  
30 ~~article is liable in a civil or administrative action brought by the~~  
31 ~~Commission or any person for a fine up to three times the amount~~  
32 ~~of the covered transfer of political purpose funds.~~

33 ~~(b) The remedies provided for in subdivision (a) shall also apply~~  
34 ~~to any person who purposely causes any other person to violate~~  
35 ~~any provision of this article or who aids and abets any other person~~  
36 ~~in a violation.~~

37 ~~(c) If a judgment is entered against the defendant or defendants~~  
38 ~~in an action brought under this section, the plaintiff shall receive~~  
39 ~~50 percent of the amount recovered. The remaining 50 percent~~  
40 ~~shall be deposited in the General Fund of the state. In an action~~

1 brought by a local civil prosecutor, 50 percent shall be deposited  
2 in the account of the agency bringing the action and 50 percent  
3 shall be paid to the General Fund of the state.

4 ~~SEC. 22.~~

5 *SEC. 21.* Section 85310 of the Government Code is amended  
6 to read:

7 85310. (a) A person who makes a payment or a promise of  
8 payment totaling ten thousand dollars (\$10,000) or more for a  
9 communication that clearly identifies a candidate for elective  
10 office, but does not expressly advocate the election or defeat of  
11 the candidate, and that is disseminated, broadcast, or otherwise  
12 published during the period beginning 120 days before the primary  
13 or special election and ending on the date of the general or runoff  
14 election, shall file online or electronically with the Secretary of  
15 State a report disclosing the name of the person, address,  
16 occupation, and employer, and amount of the payment. The report  
17 shall be filed within 48 hours of making the payment or the promise  
18 to make the payment.

19 (b) (1) Except as provided in paragraph (2), if a person has  
20 received a payment or a promise of a payment from other persons  
21 totaling five thousand dollars (\$5,000) or more for the purpose of  
22 making a communication described in subdivision (a), the person  
23 receiving the payments shall disclose on the report the name,  
24 address, occupation and employer, and date and amount received  
25 from the person.

26 (2) A person who receives or is promised a payment that is  
27 otherwise reportable under paragraph (1) is not required to report  
28 the payment if the person is in the business of providing goods or  
29 services and receives or is promised the payment for the purpose  
30 of providing those goods or services.

31 (c) A payment received by a person who makes a  
32 communication described in subdivision (a) is subject to the limits  
33 specified in subdivision (b) of Section 85303 if the communication  
34 is made at the behest of the clearly identified candidate.

35 ~~SEC. 23.~~

36 *SEC. 22.* No reimbursement is required by this act pursuant to  
37 Section 6 of Article XIII B of the California Constitution because  
38 the only costs that may be incurred by a local agency or school  
39 district will be incurred because this act creates a new crime or  
40 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of  
2 the Government Code, or changes the definition of a crime within  
3 the meaning of Section 6 of Article XIII B of the California  
4 Constitution.

5 ~~SEC. 24.~~

6 *SEC. 23.* The Legislature finds and declares that this bill  
7 furthers the purposes of the Political Reform Act of 1974 within  
8 the meaning of subdivision (a) of Section 81012 of the Government  
9 Code.

O